

VETERANS ENTREPRENEURSHIP AND SMALL BUSINESS
DEVELOPMENT ACT OF 1999

JUNE 29, 1999.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. TALENT, from the Committee on Small Business,
submitted the following

REPORT

[To accompany H.R. 1568]

[Including cost estimate of the Congressional Budget Office]

The Committee on Small Business, to whom was referred the bill (H.R. 1568) to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans Entrepreneurship and Small Business Development Act of 1999”.

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TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.

Congress finds the following:

- (1) Veterans of the United States Armed Forces have been and continue to be vital to the small business enterprises of the United States.
- (2) In serving the United States, veterans often faced great risks to preserve the American dream of freedom and prosperity.
- (3) The United States has done too little to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises.
- (4) Medical advances and new medical technologies have made it possible for service-disabled veterans to play a much more active role in the formation and expansion of small business enterprises in the United States.
- (5) The United States must provide additional assistance and support to veterans to better equip them to form and expand small business enterprises, thereby enabling them to realize the American dream that they fought to protect.

SEC. 102. PURPOSE.

The purpose of this Act is to expand existing and establish new assistance programs for veterans who own or operate small businesses. This Act accomplishes this purpose by—

- (1) expanding the eligibility for certain small business assistance programs to include veterans;
- (2) directing certain departments and agencies of the United States to take actions that enhance small business assistance to veterans; and
- (3) establishing new institutions to provide small business assistance to veterans or to support the institutions that provide such assistance.

SEC. 103. DEFINITIONS.

(a) **SMALL BUSINESS ACT.**—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

“(q) **DEFINITIONS RELATING TO VETERANS.**—In this Act, the following definitions apply:

“(1) **SERVICE-DISABLED VETERAN.**—The term ‘service-disabled veteran’ means a veteran with a disability that is service-connected (as defined in section 101(16) of title 38, United States Code).

“(2) **SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.**—The term ‘small business concern owned and controlled by service-disabled veterans’ means a small business concern—

“(A) not less than 51 percent of which is owned by 1 or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more service-disabled veterans; and

“(B) the management and daily business operations of which are controlled by 1 or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

“(3) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY VETERANS.—The term ‘small business concern owned and controlled by veterans’ means a small business concern—

“(A) not less than 51 percent of which is owned by 1 or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more veterans; and

“(B) the management and daily business operations of which are controlled by 1 or more veterans.

“(4) VETERAN.—The term ‘veteran’ has the meaning given the term in section 101(2) of title 38, United States Code.”.

(b) APPLICABILITY TO THIS ACT.—In this Act, the definitions contained in section 3(q) of the Small Business Act, as added by this section, apply.

TITLE II—VETERANS BUSINESS DEVELOPMENT

SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE SMALL BUSINESS ADMINISTRATION.

(a) IN GENERAL.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) in the 5th sentence, by striking “four Associate Administrators” and inserting “five Associate Administrators”; and

(2) by inserting after the 5th sentence the following: “One such Associate Administrator shall be the Associate Administrator for Veterans Business Development, who shall administer the Office of Veterans Business Development established under section 32.”.

(b) OFFICE OF VETERANS BUSINESS DEVELOPMENT; ASSOCIATE ADMINISTRATOR.—The Small Business Act (15 U.S.C. 631 et seq.) is further amended—

(1) by redesignating section 32 as section 34; and

(2) by inserting after section 31 the following:

“SEC. 32. VETERANS PROGRAMS.

“(a) OFFICE OF VETERANS BUSINESS DEVELOPMENT.—There is established in the Administration an Office of Veterans Business Development, which shall be administered by the Associate Administrator for Veterans Business Development (in this section referred to as the ‘Associate Administrator’) appointed under section 4(b)(1).

“(b) ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.—The Associate Administrator—

“(1) shall be an appointee in the Senior Executive Service;

“(2) shall be responsible for the formulation, execution, and promotion of policies and programs of the Administration that provide assistance to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans. The Associate Administrator shall act as an ombudsman for full consideration of veterans in all programs of the Administration; and

“(3) shall report to and be responsible directly to the Administrator.”.

SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

The Small Business Act (15 U.S.C. 631 et seq.) is further amended by adding after section 32 (as added by this Act) the following:

“SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

“(a) ESTABLISHMENT.—There is established a federally chartered corporation to be known as the National Veterans Business Development Corporation (in this section referred to as the ‘Corporation’) which shall be incorporated under the laws of the District of Columbia and which shall have the powers granted in this section.

“(b) PURPOSES OF THE CORPORATION.—The purposes of the Corporation shall be—

“(1) to expand the provision of and improve access to technical assistance regarding entrepreneurship for the Nation’s veterans; and

“(2) to assist veterans, including service-disabled veterans, with the formation and expansion of small business concerns by working with and organizing public and private resources, including those of the Small Business Administration, the Department of Veterans Affairs, the Department of Labor, the Department of Commerce, the Department of Defense, the Service Corps of Retired Executives (described in section 8(b)(1)(B) of this Act), the Small Business Development Centers (described in section 21 of this Act), and the business development staffs of each department and agency of the United States.

“(c) BOARD OF DIRECTORS.—

“(1) IN GENERAL.—The management of the Corporation shall be vested in a Board of Directors composed of 9 voting members and 3 nonvoting ex officio members.

“(2) APPOINTMENT OF VOTING MEMBERS.—The President shall appoint United States citizens to be voting members of the Board of Directors as follows:

“(A) 1 from a list of individuals nominated by the chairman of the Committee on Small Business of the House of Representatives.

“(B) 1 from a list of individuals nominated by the chairman of the Committee on Small Business of the Senate.

“(C) 1 from a list of individuals nominated by the ranking minority member of the Committee on Small Business of the House of Representatives.

“(D) 1 from a list of individuals nominated by the ranking minority members of the Committee on Small Business of the Senate.

“(E) 1 from a list of individuals nominated by the chairman of the Committee on Veterans’ Affairs of the House of Representatives.

“(F) 1 from a list of individuals nominated by the chairman of the Committee on Veterans’ Affairs of the Senate.

“(G) 1 from a list of individuals nominated by the ranking minority member of the Committee on Veterans’ Affairs of the House of Representatives.

“(H) 1 from a list of individuals nominated by the ranking minority member of the Committee on Veterans’ Affairs of the Senate.

“(I) 1 of the President’s own choosing.

“(3) EX OFFICIO MEMBERS.—The Administrator of the Small Business Administration, the Secretary of Defense, and the Secretary of Veterans Affairs shall serve as the nonvoting ex officio members of the Board of Directors.

“(4) CHAIRPERSON.—The members of the Board of Directors appointed under paragraph (2) shall elect one such member to serve as chairperson of the Board of Directors for a term of 2 years.

“(5) TERMS OF APPOINTED MEMBERS.—

“(A) IN GENERAL.—Each member of the Board of Directors appointed under paragraph (2) shall serve a term of 6 years, except as provided in subparagraph (B).

“(B) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

“(i) 3 shall be for a term of 2 years; and

“(ii) 3 shall be for a term of 4 years.

“(C) UNEXPIRED TERMS.—Any member of the Board of Directors appointed to fill a vacancy occurring before the expiration of the term for which the member’s predecessor was appointed shall be appointed only for the remainder of the term. A member may serve after the expiration of that member’s term until a successor has taken office.

“(6) VACANCIES.—Any vacancy on the Board of Directors shall be filled in the manner in which the original appointment was made. In the case of a vacancy in the office of the Administrator of the Small Business Administration or the Secretary of Veterans Affairs, and pending the appointment of a successor, an acting appointee for such vacancy may serve as an ex officio member.

“(7) INELIGIBILITY FOR OTHER OFFICES.—No voting member of the Board of Directors may be an officer or employee of the United States while serving as a member of the Board of Directors or during the 2-year period preceding such service.

“(8) IMPARTIALITY AND NONDISCRIMINATION.—The Board of Directors shall administer the affairs of the Corporation fairly and impartially and without discrimination.

“(9) OBLIGATIONS AND EXPENSES.—The Board of Directors shall prescribe the manner in which the obligations of the Corporation may be incurred and in which its expenses shall be allowed and paid.

“(10) QUORUM.—5 voting members of the Board of Directors shall constitute a quorum, but a lesser number may hold hearings.

“(d) CORPORATE POWERS.—On October 1, 1999, the Corporation shall become a body corporate and as such shall have the authority to do the following:

“(1) To adopt and use a corporate seal.

“(2) To have succession until dissolved by an Act of Congress.

“(3) To make contracts or grants.

“(4) To sue and be sued, and to file and defend against lawsuits in State or Federal court.

“(5) To appoint, through the actions of its Board of Directors, officers and employees of the Corporation, to define their duties and responsibilities, fix their compensations, and to dismiss at will such officers or employees.

“(6) To prescribe, through the actions of its Board of Directors, bylaws not inconsistent with Federal law and the law of the State of incorporation, regulating the manner in which its general business may be conducted and the manner in which the privileges granted to it by law may be exercised.

“(7) To exercise, through the actions of its Board of Directors or duly authorized officers, all powers specifically granted by the provisions of this section, and such incidental powers as shall be necessary.

“(8) To solicit, receive, and disburse funds from private, Federal, State and local organizations.

“(9) To accept and employ or dispose of in furtherance of the purposes of this section any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

“(10) To accept voluntary and uncompensated services.

“(e) CORPORATE FUNDS.—

“(1) DEPOSIT OF FUNDS.—The Board of Directors shall deposit all funds of the Corporation in federally chartered and insured depository institutions until such funds are disbursed under paragraph (2).

“(2) DISBURSEMENT OF FUNDS.—Funds of the Corporation may be disbursed only for purposes that are—

“(A) approved by the Board of Directors by a recorded vote with a quorum present; and

“(B) in accordance with the purposes of the Corporation as specified in subsection (b).

“(f) NETWORK OF INFORMATION AND ASSISTANCE CENTERS.—In carrying out the purpose described in subsection (b), the Corporation shall establish and maintain a network of information and assistance centers for use by veterans and the public.

“(g) ANNUAL REPORT.—On or before October 1 of each year, the Board of Directors shall transmit a report to the President and Congress describing the activities and accomplishments of the Corporation for the preceding year and the Corporation’s findings regarding the efforts of Federal, State and private organizations to assist veterans in the formation and expansion of small business concerns.

“(h) ASSUMPTION OF DUTIES OF ADVISORY COMMITTEE.—On October 1, 2004, the Corporation established under this section shall assume the duties, responsibilities, and authority of the Advisory Committee on Veterans Affairs established under section 203 of this Act.

“(i) USE OF MAILS.—The Corporation may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

“(j) PROFESSIONAL CERTIFICATION ADVISORY BOARD.—

“(1) IN GENERAL.—Acting through the Board of Directors, the Corporation shall establish a Professional Certification Advisory Board to create uniform guidelines and standards for the professional certification of members of the Armed Services to aid in their efficient and orderly transition to civilian occupations and professions and to remove potential barriers in the areas of licensure and certification.

“(2) MEMBERSHIP.—The members of the Advisory Board shall serve without compensation, shall meet in the District of Columbia no less than quarterly, and shall be appointed by the Board of Directors as follows:

“(A) PRIVATE SECTOR MEMBERS.—The Corporation shall appoint not less than 7 members for terms of 2 years to represent private sector organizations and associations, including the American Association of Community Colleges, the Society for Human Resource Managers, the Coalition for Professional Certification, and the Council on Licensure and Enforcement.

“(B) PUBLIC SECTOR MEMBERS.—The Corporation shall invite public sector members to serve at the discretion of their departments or agencies and shall—

“(i) encourage the participation of the Under Secretary of Defense for Personnel and Readiness;

“(ii) encourage the participation of 2 officers from each branch of the Armed Forces to represent the Training Commands of their branch; and

“(iii) seek the participation and guidance of the Assistant Secretary of Labor for Veterans’ Employment and Training.

“(k) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to the Corporation to carry out this section the following amounts:

“(A) \$2,000,000 for fiscal year 2000;

“(B) \$4,000,000 for fiscal year 2001;

“(C) \$4,000,000 for fiscal year 2002; and

“(D) \$2,000,000 for fiscal year 2003.

“(2) PRIVATIZATION.—The Corporation shall institute and implement a plan to raise private funds and become a self-sustaining corporation.”.

SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.

(a) IN GENERAL.—There is established an advisory committee to be known as the “Advisory Committee on Veterans Business Affairs” (in this section referred to as the “Committee”), which shall serve as an independent source of advice and policy recommendations to—

(1) the Administrator of the Small Business Administration (in this section referred to as the “Administrator”);

(2) the Associate Administrator for Veterans Business Development of the Small Business Administration;

(3) Congress;

(4) the President; and

(5) other United States policymakers.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Committee shall be composed of 15 members, of whom—

(A) 8 shall be veterans who are owners of small business concerns (within the meaning of the term under section 3 of the Small Business Act (15 U.S.C. 632)); and

(B) 7 shall be representatives of veterans organizations.

(2) APPOINTMENT.—

(A) IN GENERAL.—The members of the Committee shall be appointed by the Administrator in accordance with this section.

(B) INITIAL APPOINTMENTS.—Not later than 90 days after the date of enactment of this Act, the Administrator shall appoint the initial members of the Committee.

(3) POLITICAL AFFILIATION.—Not more than 8 members of the Committee shall be of the same political party as the President.

(4) PROHIBITION ON FEDERAL EMPLOYMENT.—

(A) IN GENERAL.—Except as provided in subsection (B), no member of the Committee may serve as an officer or employee of the United States.

(B) EXCEPTION.—A member of the Committee who accepts a position as an officer or employee of the United States after the date of the member’s appointment to the Committee may continue to serve on the Committee for not more than 30 days after such acceptance.

(5) TERM OF SERVICE.—

(A) IN GENERAL.—Subject to subparagraph (B), the term of service of each member of the Committee shall be 3 years.

(B) TERMS OF INITIAL APPOINTEES.—As designated by the Administrator at the time of appointment, of the members first appointed—

(i) 6 shall be appointed for a term of 4 years; and

(ii) 5 shall be appointed for a term of 5 years.

(6) VACANCIES.—The Administrator shall fill any vacancies on the membership of the Committee not later than 30 days after the date on which such vacancy occurs.

(7) CHAIRPERSON.—

(A) IN GENERAL.—The members of the Committee shall elect one of the members to be Chairperson of the Committee.

(B) VACANCIES IN OFFICE OF CHAIRPERSON.—Any vacancy in the office of the Chairperson of the Committee shall be filled by the Committee at the first meeting of the Committee following the date on which the vacancy occurs.

(c) DUTIES.—The duties of the Committee shall be the following:

- (1) Review, coordinate, and monitor plans and programs developed in the public and private sectors, that affect the ability of small business concerns owned and controlled by veterans to obtain capital and credit and to access markets.
- (2) Promote the collection of business information and survey data as they relate to veterans and small business concerns owned and controlled by veterans.
- (3) Monitor and promote plans, programs, and operations of the departments and agencies of the United States that may contribute to the formation and growth of small business concerns owned and controlled by veterans.
- (4) Develop and promote initiatives, policies, programs, and plans designed to foster small business concerns owned and controlled by veterans.
- (5) In cooperation with the National Veterans Business Development Corporation, develop a comprehensive plan, to be updated annually, for joint public-private sector efforts to facilitate growth and development of small business concerns owned and controlled by veterans.
- (d) POWERS.—
 - (1) HEARINGS.—Subject to subsection (e), the Committee may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Committee considers advisable to carry out its duties.
 - (2) INFORMATION FROM FEDERAL AGENCIES.—Upon request of the Chairperson of the Committee, the head of any department or agency of the United States shall furnish such information to the Committee as the Committee considers to be necessary to carry out its duties.
 - (3) USE OF MAILS.—The Committee may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.
 - (4) GIFTS.—The Committee may accept, use, and dispose of gifts or donations of services or property.
- (e) MEETINGS.—
 - (1) IN GENERAL.—The Committee shall meet, not less than three times per year, at the call of the Chairperson or at the request of the Administrator.
 - (2) LOCATION.—Each meeting of the full Committee shall be held at the headquarters of the Small Business Administration located in Washington, District of Columbia. The Administrator shall provide suitable meeting facilities and such administrative support as may be necessary for each full meeting of the Committee.
 - (3) TASK GROUPS.—The Committee may, from time to time, establish temporary task groups as may be necessary in order to carry out its duties.
- (f) COMPENSATION AND EXPENSES.—
 - (1) NO COMPENSATION.—Members of the Committee shall serve without compensation for their service to the Committee.
 - (2) EXPENSES.—The members of the Committee shall be reimbursed for travel and subsistence expenses in accordance with section 5703 of title 5, United States Code.
- (g) REPORT.—Not later than 30 days after the end of each fiscal year beginning after the date of enactment of this section, the Committee shall transmit to Congress and the President a report describing the activities of the Committee and any recommendations developed by the Committee for the promotion of small business concerns owned and controlled by veterans.
- (h) TERMINATION.—The Committee shall terminate its business on September 30, 2004.

TITLE III—TECHNICAL ASSISTANCE

SEC. 301. SCORE PROGRAM.

- (a) IN GENERAL.—The Administrator of the Small Business Administration shall enter into a memorandum of understanding with the Service Core of Retired Executives (described in section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)) and in this section referred to as “SCORE”) to provide for the following:
 - (1) The appointment by SCORE in its national office of an individual to act as National Veterans Business Coordinator, whose duties shall relate exclusively to veterans business matters, and who shall be responsible for the establishment and administration of a program to coordinate counseling and training regarding entrepreneurship to veterans through the chapters of SCORE throughout the United States.
 - (2) The assistance of SCORE in the establishing and maintaining a toll-free telephone number and an Internet website to provide access for veterans to in-

formation about the counseling and training regarding entrepreneurship available to veterans through SCORE.

(3) The collection of statistics concerning services provided by SCORE to veterans, including service-disabled veterans, for inclusion in each annual report published by the Administrator under section 4(b)(2)(B) of the Small Business Act (15 U.S.C. 633(b)(2)(B)).

(b) **RESOURCES.**—The Administrator shall provide to SCORE such resources as the Administrator determines necessary for SCORE to carry out the requirements of the memorandum of understanding specified in paragraph (1).

SEC. 302. ENTREPRENEURIAL ASSISTANCE.

Not later than 180 days after the date of enactment of this Act, the Secretary of Veterans Affairs, the Administrator of the Small Business Administration, and the head of the association formed pursuant to section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A)) shall enter into a memorandum of understanding with respect to entrepreneurial assistance to veterans, including service-disabled veterans, through Small Business Development Centers (described in section 21 of the Small Business Act (15 U.S.C. 648)) and facilities of the Department of Veterans Affairs. Such assistance shall include the following:

(1) Conducting of studies and research, and the distribution of information generated by such studies and research, on the formation, management, financing, marketing, and operation of small business concerns by veterans.

(2) Provision of training and counseling to veterans concerning the formation, management, financing, marketing, and operation of small business concerns.

(3) Provision of management and technical assistance to the owners and operators of small business concerns regarding international markets, the promotion of exports, and the transfer of technology.

(4) Provision of assistance and information to veterans regarding procurement opportunities with Federal, State, and local agencies, especially such agencies funded in whole or in part with Federal funds.

(5) Establishment of an information clearinghouse to collect and distribute information, including by electronic means, on the assistance programs of Federal, State, and local governments, and of the private sector, including information on office locations, key personnel, telephone numbers, mail and electronic addresses, and contracting and subcontracting opportunities.

(6) Provision of Internet or other distance learning academic instruction for veterans in business subjects, including accounting, marketing, and business fundamentals.

(7) Compilation of a list of small business concerns owned and controlled by service-disabled veterans that provide products or services that could be procured by the United States and delivery of such list to each department and agency of the United States. Such list shall be delivered in hard copy and electronic form and shall include the name and address of each such small business concern and the products or services that it provides.

SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.

(a) **IN GENERAL.**—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

“(1) **MANAGEMENT ASSISTANCE FOR SMALL BUSINESSES AFFECTED BY MILITARY OPERATIONS.**—The Administration shall utilize, as appropriate, its entrepreneurial development and management assistance programs, including programs involving State or private sector partners, to provide business counseling and training to any small business concern adversely affected by the deployment of units of the Armed Forces of the United States in support of a period of military conflict (as defined in section 7(n)(1)).”.

(b) **ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.**—For the duration of Operation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendment made by this section, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

(c) **GUIDELINES.**—Not later than 30 days after the date of enactment of this section, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this section and the amendment made by this section.

TITLE IV—FINANCIAL ASSISTANCE

SEC. 401. GENERAL BUSINESS LOAN PROGRAM.

(a) DEFINITION OF HANDICAPPED INDIVIDUAL.—Section 3(f) of the Small Business Act (15 U.S.C. 632(f)) is amended to read as follows:

“(f) For purposes of section 7 of this Act, the term ‘handicapped individual’ means an individual—

“(1) who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable; or

“(2) who is a service-disabled veteran.”.

(b) AUTHORIZATION TO MAKE LOANS.—Section 7(a)(10) of the Small Business Act (15 U.S.C. 636(a)(10)) is amended—

(1) by inserting “guaranteed” after “provide”; and

(2) by inserting, “, including service-disabled veterans,” after “handicapped individual”.

SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERVISTS.

(a) REPAYMENT DEFERRAL FOR ACTIVE DUTY RESERVISTS.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

“(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RESERVISTS.—

“(1) DEFINITIONS.—In this subsection:

“(A) ELIGIBLE RESERVIST.—The term ‘eligible reservist’ means a member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.

“(B) ESSENTIAL EMPLOYEE.—The term ‘essential employee’ means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern.

“(C) PERIOD OF MILITARY CONFLICT.—The term ‘period of military conflict’ means—

“(i) a period of war declared by Congress;

“(ii) a period of national emergency declared by Congress or by the President; or

“(iii) a period of a contingency operation, as defined in section 101(a) of title 10, United States Code.

“(D) QUALIFIED BORROWER.—The term ‘qualified borrower’ means—

“(i) an individual who is an eligible reservist and who received a direct loan under subsection (a) or (b) before being ordered to active duty; or

“(ii) a small business concern that received a direct loan under subsection (a) or (b) before an eligible reservist, who is an essential employee, was ordered to active duty.

“(2) DEFERRAL OF DIRECT LOANS.—

“(A) IN GENERAL.—The Administration shall, upon written request, defer repayment of principal and interest due on a direct loan made under subsection (a) or (b), if such loan was incurred by a qualified borrower.

“(B) PERIOD OF DEFERRAL.—The period of deferral for repayment under this paragraph shall begin on the date on which the eligible reservist is ordered to active duty and shall terminate on the date that is 180 days after the date such eligible reservist is discharged or released from active duty.

“(C) INTEREST RATE REDUCTION DURING DEFERRAL.—Notwithstanding any other provision of law, during the period of deferral described in subparagraph (B), the Administration may, in its discretion, reduce the interest rate on any loan qualifying for a deferral under this paragraph.

“(3) DEFERRAL OF LOAN GUARANTEES AND OTHER FINANCINGS.—The Administration shall—

“(A) encourage intermediaries participating in the program under subsection (m) to defer repayment of a loan made with proceeds made available under that subsection, if such loan was incurred by a small business concern that is eligible to apply for assistance under subsection (b)(3); and

“(B) not later than 30 days after the date of enactment of this subsection, establish guidelines to—

“(i) encourage lenders and other intermediaries to defer repayment of, or provide other relief relating to, loan guarantees under subsection (a) and financings under section 504 of the Small Business Investment

Act of 1958 that were incurred by small business concerns that are eligible to apply for assistance under subsection (b)(3), and loan guarantees provided under subsection (m) if the intermediary provides relief to a small business concern under this paragraph; and

“(ii) implement a program to provide for the deferral of repayment or other relief to any intermediary providing relief to a small business borrower under this paragraph.”.

(b) DISASTER LOAN ASSISTANCE FOR MILITARY RESERVISTS’ SMALL BUSINESSES.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after the undesignated paragraph that begins with “*Provided, That no loan*”, the following:

“(3)(A) In this paragraph—

“(i) the term ‘essential employee’ means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern;

“(ii) the term ‘period of military conflict’ has the meaning given the term in subsection (n)(1); and

“(iii) the term ‘substantial economic injury’ means an economic harm to a business concern that results in the inability of the business concern—

“(I) to meet its obligations as they mature;

“(II) to pay its ordinary and necessary operating expenses; or

“(III) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern.

“(B) The Administration may make such disaster loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of an essential employee of such small business concern being ordered to active military duty during a period of military conflict.

“(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph during the period beginning on the date on which the essential employee is ordered to active duty and ending on the date that is 90 days after the date on which such essential employee is discharged or released from active duty.

“(D) Any loan or guarantee extended pursuant to this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

“(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed \$1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the \$1,500,000 limitation.

“(F) For purposes of assistance under this paragraph, no declaration of a disaster area shall be required.”.

(c) ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.—For the duration of Operation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendments made by this section, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

(d) GUIDELINES.—Not later than 30 days after the date of enactment of this section, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this section and the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this section.

(2) DISASTER LOANS.—The amendments made by subsection (b) shall apply to economic injury suffered or likely to be suffered as the result of a period of military conflict occurring or ending on or after March 24, 1999.

SEC. 403. MICROLOAN PROGRAM.

Section 7(m)(1)(A)(i) of the Small Business Act (15 U.S.C. 636(m)(1)(A)(i)) is amended by inserting “veteran (within the meaning of such term under section 3(q)),” after “low-income,”.

SEC. 404. DELTA LOAN PROGRAM.

Section 7(a)(21)(A) Small Business Act (15 U.S.C. 636(a)(21)(A)) is amended in subclause (ii) by inserting “or a veteran” after “qualified individual”.

SEC. 405. STATE DEVELOPMENT COMPANY PROGRAM.

Section 501(d)(3) of the Small Business Investment Act (15 U.S.C. 695(d)(3)) is amended—

- (1) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively; and
- (2) by inserting after subparagraph (D) the following:
 - “(E) expansion of small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), especially service-disabled veterans, as defined in such section 3(q).”

TITLE V—PROCUREMENT ASSISTANCE

SEC. 501. SUBCONTRACTING.

(a) **STATEMENT OF POLICY.**—Section 8(d)(1) of the Small Business Act (15 U.S.C. 637(d)(1)) is amended by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears in the first and second sentences.

(b) **CONTRACT CLAUSE.**—The contract clause specified in section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)) is amended as follows:

- (1) Subparagraph (A) of such clause is amended by inserting “small business concerns owned and controlled by veterans,” after “small business concerns,” the first place it appears in the first and second sentences.
- (2) Subparagraphs (E) and (F) of such clause are redesignated as subparagraphs (F) and (G), respectively, and the following new subparagraph is inserted after subparagraph (D) of such clause:
 - “(E) The term ‘small business concern owned and controlled by veterans’ shall mean a small business concern—

- “(i) which is at least 51 per centum owned by one or more eligible veterans; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more veterans; and

- “(ii) whose management and daily business operations are controlled by such veterans. The contractor shall treat as veterans all individuals who are veterans within the meaning of the term under section 3(q) of the Small Business Act.”

- (3) Subparagraph (F) of such clause, as redesignated by paragraph (2) of this subsection, is amended by inserting “small business concern owned and controlled by veterans,” after “small business concern,” the first place it appears.

(c) **CONFORMING AMENDMENTS.**—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is further amended by inserting “small business concerns owned and controlled by veterans,” after “small business concerns,” the first place it appears in paragraphs (4)(D), (4)(E), (6)(A), (6)(C), (6)(F), and (10)(B).

SEC. 502. PARTICIPATION IN FEDERAL PROCUREMENT.

(a) **GOVERNMENT-WIDE PARTICIPATION GOALS.**—Subsection (g)(1) of section 15 of the Small Business Act (15 U.S.C. 644) is amended—

- (1) in the first sentence, by inserting “small business concerns owned and controlled by service disabled veterans,” after “small business concerns,” the first place it appears;

- (2) by inserting after the second sentence, the following: “The Government-wide goal for participation by small business concerns owned and controlled by service-disabled veterans shall be established at not less than 5 percent of the total value of all prime contract and subcontract awards for each fiscal year.”; and

- (3) in the second to last sentence, by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears.

(b) **AGENCY PARTICIPATION GOALS.**—Subsection (g)(2) of section 15 of the Small Business Act (15 U.S.C. 644) is amended—

- (1) in the first sentence, by inserting “by small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears;

(2) in the second sentence, by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears; and

(3) in the fourth sentence, by inserting “small business concerns owned and controlled by service-disabled veterans, by” after “including participation by”.

TITLE VI—REPORTS AND DATA COLLECTION

SEC. 601. REPORTING REQUIREMENTS.

(a) REPORTS TO SMALL BUSINESS ADMINISTRATION.—Subsection (h)(1) of section 15 of the Small Business Act (15 U.S.C. 644) is amended by inserting “small business concerns owned and controlled by veterans (including service-disabled veterans),” after “small business concerns,” the first place it appears.

(b) REPORTS TO THE PRESIDENT AND CONGRESS.—Subsection (h)(2) of section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) by inserting “and Congress” before the period at the end of first sentence; and

(2) in subparagraphs (A), (D), and (E), by inserting “small business concerns owned and controlled by service-disabled veterans,” after “small business concerns,” the first place it appears.

SEC. 602. REPORT ON SMALL BUSINESS AND COMPETITION.

Section 303(e) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

(1) in paragraph (1), by striking “and” after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by service-disabled veterans, as defined in such section 3(q).”.

SEC. 603. ANNUAL REPORT OF THE ADMINISTRATOR.

The Administrator of the Small Business Administration shall transmit annually to the Committees on Small Business and Veterans Affairs of the House of Representatives and the Senate a report on the needs of small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans, which shall include information on—

(1) the availability of Small Business Administration programs for such small business concerns and the degree of utilization of such programs by such small business concerns during the preceding 12-month period, including statistical information on such utilization as compared to the small business community as a whole;

(2) the percentage and dollar value of Federal contracts awarded to such small business concerns during the preceding 12-month period; and

(3) proposals to improve the access of such small business concerns to the assistance made available by the United States.

SEC. 604. DATA AND INFORMATION COLLECTION.

(a) INFORMATION ON FEDERAL PROCUREMENT PRACTICES.—The Administrator of the Small Business Administration shall, for each fiscal year—

(1) collect information concerning the procurement practices and procedures of each department and agency of the United States having procurement authority;

(2) publish and disseminate such information to procurement officers in all Federal agencies; and

(3) make such information available to any small business concern requesting such information.

(b) IDENTIFICATION OF SMALL BUSINESS CONCERNS OWNED BY ELIGIBLE VETERANS.—Each fiscal year, the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary of Labor for Veterans’ Employment and Training and the Administrator of the Small Business Administration, identify small business concerns owned and controlled by veterans in the United States. The Secretary shall inform each small business concern identified under this paragraph that information on Federal procurement is available from the Administrator.

(c) SELF-EMPLOYMENT OPPORTUNITIES.—The Secretary of Labor, the Secretary of Veterans Affairs, and the Administrator of the Small Business Administration shall enter into a memorandum of understanding to provide for coordination of vocational rehabilitation services, technical and managerial assistance, and financial assistance to veterans, including service-disabled veterans, seeking to employ themselves by forming or expanding small business concerns. The memorandum of understanding shall include recommendations for expanding existing programs or establishing new programs to provide such services or assistance to such veterans.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. ADMINISTRATOR'S ORDER.

The Administrator of the Small Business Administration shall strengthen and re-issue the Administrator's order regarding the 3d sentence of section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)), relating to nondiscrimination and special considerations for veterans, and take all necessary steps to ensure that its provisions are fully and vigorously implemented.

SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF ADVOCACY.

Section 202 of Public Law 94–305 (15 U.S.C. 634b) is amended—

- (1) in paragraph (10), by striking “and” at the end;
- (2) in paragraph (11), by striking the period at the end and inserting “; and”; and
- (3) by adding at the end the following:

“(12) evaluate the efforts of each department and agency of the United States, and of private industry, to assist small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by serviced-disabled veterans, as defined in such section 3(q), and to provide statistical information on the utilization of such programs by such small business concerns, and to make appropriate recommendations to the Administrator of the Small Business Administration and to Congress in order to promote the establishment and growth of those small business concerns.”.

SEC. 703. STUDY OF FIXED-ASSET SMALL BUSINESS LOANS.

(a) IN GENERAL.—The Comptroller General shall conduct a study on whether there would exist any additional risk or cost to the United States if—

- (1) up to 10 percent of the loans guaranteed under chapter 37 of title 38, United States Code, were made for the acquisition or construction of fixed assets used in a trade or business rather than for the construction or purchase of residential buildings; and
- (2) such loans for acquisition or construction of fixed assets were for a term of not more than 10 years and the terms regarding eligibility, loan limits, interest, fees, and down payment were the same as for other loans guaranteed under such chapter.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the enactment of this Act, the Comptroller General shall transmit the report described in subsection (a) to the Committees on Veterans' Affairs and the Committees on Small Business of the House of Representatives and the Senate.

(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall specifically address the following:

(A) With respect to the change in the veterans' housing loan program contemplated under subsection (a):

- (i) The increase or decrease in administrative costs to the Department of Veterans Affairs.
- (ii) The increase or decrease in the degree of exposure of the United States as the guarantor of the loans.
- (iii) The increase or decrease in the Federal subsidy rate that would be possible.
- (iv) Any increase in the interest rate or fees charged to the borrower or lender that would be required to maintain present program costs.

(B) Information regarding the delinquency rates, default rates, length of time required for recovery after default, for fixed-asset business loans, of a size and duration comparable to those contemplated under subsection (a), made available in the private market or under section 503 of the Small Business Investment Act.

PURPOSE

The purpose of H.R. 1568 is to provide assistance to veteran owned businesses, particularly service-disabled veteran owned businesses, in order to enable them to form and expand small businesses. H.R. 1568 will accomplish this through four primary changes in the Small Business Act.

First, the bill establishes the National Veterans Business Development Corporation (NVBDC), a federally chartered corporation empowered to establish a nationwide network of veterans business assistance centers, and to work with both public and private organizations to provide assistance and mentoring to veterans. The Corporation will have a Presidentially appointed Board of Directors and shall receive four years of federal funding for start-up costs.

Second H.R. 1568 clarifies and re-emphasizes the responsibility of the Small Business Administration (SBA) to reach out to and include veterans in its programs providing financial and technical assistance. The bill specifically includes veterans as a target group for the SBA's 7(a), 504 and microloan programs. It also requires the SBA's SCORE and Small Business Development Center programs to work with the NVBDC to expand technical assistance for veteran entrepreneurs.

Third, H.R. 1568 provides service-disabled veterans, those who have scarified their health and strength for the Nation, a five percent goal in federal procurements. This goal is designed to raise the awareness of federal procurement officials and help provide service-disabled veterans with access to federal procurement opportunities.

Fourth, H.R. 1568 establishes a program to assist self-employed and small business owning military reservists who are called to active duty. The bill provides them with access to economic injury disaster loans and requires the Administrator of the SBA to establish a system for the deferral of outstanding loans.

NEED FOR LEGISLATION

Over the years, the Nation has recognized the debt owned to citizens who serve in defense of our Constitution and the American ideals of free speech, personal liberty, and free enterprise. H.R. 1568 builds on the best examples of this public policy from our Nation's history. From the beginning of the Republic, when the Continental Congress provided land grants to Revolutionary War veterans, we have helped veterans with self-employment and self-sufficiency. 150 years later, the 1944 Servicemen's Readjustment Act, or "G.I. Bill of Rights of World War II" provided loan guarantees for returning World War II, and later Korean War, veterans. In the ten years following, the Federal Government provided over 280,000 small business and farm loans to veterans to help include them in the post-war boom and use their talents to propel that boom.

Unfortunately, the Nation's efforts on behalf of veterans have diminished drastically in the intervening 45 years. Over the years, the interests of veterans, particularly the service-disabled, have fallen on infertile ground. While specifically included as a priority of the SBA at its creation, the Office of Veterans Affairs and the needs of veterans have been diminished systematically at the SBA. Elimination of the direct loan program for veterans in fiscal year

1995, at then Administrator Phil Lader's request, resulted in serious diminution of financial assistance for veterans. Total loan dollars dropped from \$22 million dollars in loans in 1993 to \$10.8 million in 1998. Likewise, training and counseling for veterans dropped from 38,775 total counseling sessions for veterans in 1993 to 29,821 sessions in 1998.

While the current SBA Administrator, Aida Alvarez, has made efforts to halt this slide it is evident that more must be done. Teamwork and self-confidence are the hallmarks of our veterans. With that in mind. H.R. 1568 proposes to give veterans the tools they need to do the job. SBA's activities and priorities will be strengthened, but a framework must be established to allow veterans and small businesses share their knowledge and skills. By establishing the National Veterans Business Development Corporation, Congress will set in place a permanent mechanism for meeting our obligations to our service men and women.

H.R. 1568 will also fulfill a long unmet need to assist our military reservists who are small business owners. Often these individuals, called to service at short notice, come back from fighting to protect our freedoms only to find their businesses in shambles. H.R. 1568 will establish loan deferrals, technical and managerial assistance, and loan programs for these citizen soldiers so that while they risk their lives they need not risk their livelihoods.

COMMITTEE ACTION

On June 23, 1999, at 9:30 a.m., the Committee on Small Business convened a hearing to discuss the provisions of H.R. 1568. The Committee received testimony from eight witnesses. In the first panel, one Administration witness and four veterans and veteran representatives discussed H.R. 1568's ability to satisfy veterans' recognized need to access capital and employment markets. The second panel included three business community representatives who discussed the community's willingness to support H.R. 1568's National Veterans Business Development Corporation.

Ms. Betsy Myers, Associate Deputy Administrator for Entrepreneurial Development, U.S. Small Business Administration, discussed the July 1998 Small Business Administration (SBA) Veterans' Affairs Task Force for Entrepreneurship and its November 1998 "high priority" recommendations. Under questioning from Chairman Talent, Ms. Myers acknowledged H.R. 1568 incorporates the Task Force's "high priority" recommendations. Furthermore, Ms. Myers agreed with SBA's chief financial officer's comment that SBA has spent little on veterans' affairs in the past and that SBA is just now reaching out more. Decreased Veterans' Affairs program funding—\$1.4 million in 1998 to \$340,000 in 1997—supports this assessment.

Mr. Anthony Baskerville, Deputy National Service Director for Employment for the Disabled American Veterans, testified that H.R. 1568 "is a comprehensive approach to encouraging entrepreneurship among veterans through loans and a variety of support and technical assistance, assistance which veterans so richly deserve." H.R. 1568 increases veterans likelihood of self-employment because it stresses their military training that "imparts discipline, a need for independence, autonomy, and power, and a greater toler-

ance for risk-taking.” As a result, Mr. Baskerville and the Disabled American Veterans support H.R. 1568.

Ms. Valerie Callaway, a disabled retired veteran, testified that veterans need H.R. 1568 to successfully establish small businesses. Ms. Callaway testified that she suffered heart failure while on active service and received a medical discharge. Her disability and the delay in Veterans’ Affairs Vocational Rehabilitation services inhibited her employment opportunities. In order to care for her three children, she decided to operate a daycare center for military personnel from her home. However, she lacked a stable residency history due to military service and could not obtain a loan. Ms. Callaway acknowledged in questioning from Mr. Forbes that she turned to the SBA for assistance, but found no program that adequately served her needs or a website that provided any information. Ms. Callaway invested \$25,000 of her money and tried to start her business. Unfortunately, nine months later the business failed.

John Lopez, Chairman of the Association for Service Disabled Veterans, testified that assistance for veterans is overdue. The individuals that protected America’s freedoms are aging, dying and unable to enjoy these freedoms. In response to Mr. Forbes’s questions, Mr. Lopez cited decreased spending and SBA’s inability to provide a veterans representative at each facility as evidence that SBA abandoned veterans. Mr. Lopez commended Ms. Napolitano for her efforts in the California General Assembly in securing some veterans’ assistance. Mr. Pascrell agreed with Mr. Lopez and noted that few veterans know what assistance exists and where to obtain it. H.R. 1568’s corporation enables veterans to reach out to other veterans.

Finally, Emil Naschinski from the American Legion concluded the first panel’s testimony. Mr. Naschinski also noted SBA’s failure to support veterans groups. Mr. Naschinski believed that H.R. 1568 advances veterans’ causes. However, he expressed some funding concerns. He noted that previous Congresses passed necessary legislation that lacked requisite funding. H.R. 1568, Mr. Naschinski noted, appropriates \$12 million over four years, but makes no funding assurances. However, Chairman Talent and Mr. Pascrell both assured Mr. Naschinski that the Committee on Appropriations supports this bill and will fund it.

Mr. Bill Elmore, Data Force Associates, testified in the second panel that the business community supports the bill. Mr. Elmore cited the National Veterans Business Development Corporation as H.R. 1568’s most important and innovative feature. “It places the responsibility for initiative squarely in the hands of the veterans and the business community.” Mr. Elmore expressed concern that the Corporation’s board would be too political. He suggested that the chairman and ranking member of the House and Senate Committees on Small Business and Veterans’ Affairs play a larger role in choosing the board members. Chairman Talent assured Mr. Elmore that he believed both the chairman and ranking member from each committee would choose individuals focused on veterans’ concerns.

Mr. Charles Foster, Group President for SBC Communications, testified that business will support the National Veterans Business Development Corporation. “SBC’s Pacific Bell subsidiary leads the

industry with 30 percent of procurement dollars going to diversity suppliers and more than \$40 million of that goes to disabled veteran-owned businesses.” Mr. Foster acknowledged that SBC Communications cannot guarantee 5% of its contracts to veterans. SBC Communications’ current goal is 1.5%. Its studies show that there are insufficient veteran-owned companies able to serve its needs. In response to questions from Ms. Napolitano and Mr. Davis, Mr. Foster acknowledged that a 5% goal might be attainable at some future time.

Finally, Stephen H. White, President, White & Co., testified the National Veterans Business Development Corporation provides a network that assists small businesses and veterans. Mr. White testified that there exists a “Vet Connection” in which veteran business owners and executives express a desire to work with or purchase from other veterans, hire other veterans, network with other veteran business owners, and train veterans. The National Veterans Business Development Corporation provides a veteran assistance focal point.

CONSIDERATION OF H.R. 1568

At 11 a.m. on June 23, 1999, the Committee on Small Business met to mark up and report H.R. 1568. The Chairman declared the bill open for amendment by title, and the first action was consideration of an en bloc amendment offered by Chairman Talent. The amendment had four parts: (1) an amendment to Sections 202 and 203 setting a sunset date for the Advisory Committee on Veterans and transferring its responsibilities to the National Veterans Business Development Corporation, (2) an amendment to Section 202 requiring the National Veterans Business Development Corporation to establish an advisory board to study the coordination and harmonization of private sector certification with military technical training, (3) a technical correction to section 401, and (4) a technical correction to Section 405. The amendment was accepted by a unanimous voice vote.

The next amendment was offered by Mr. Phelps and consisted of the text of his bill H.R. 1614, the companion to Senator Kerry’s bill, S. 918. This amendment would establish a program to assist small business owners and self-employed individuals who are military reservists and are called to active duty. The Chairman, Mr. Talent, and the Ranking Member, Ms. Velazquez, both expressed their strong support for the amendment and it was accepted by a unanimous voice vote.

The final amendment was offered by Mrs. Kelly, for herself and Mr. Forbes. It amended several of the reporting provisions in Sections 601, 603, and 702 to require the SBA to provide statistical breakdowns of veteran participation in SBA programs, and to require the SBA to provide information on veteran participation in federal procurement to procurement officers. The amendment was accepted by a unanimous voice vote.

Ms. Millender-McDonald then moved the bill be reported, and at 11:35 a.m., by unanimous voice vote, a quorum being present, the Committee passed H.R. 1568, as amended, and ordered it reported.

SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

Designates the bill as the “Veterans Entrepreneurship and Small Business Development Act of 1999”.

SECTION 2. TABLE OF CONTENTS

TITLE I—GENERAL PROVISIONS

SECTION 101. FINDINGS

This section describes Congressional findings regarding the sacrifices and efforts of veterans and their value to the American economy as small business owners.

SECTION 102. PURPOSE

Describes the purpose of the Act, to encourage the SBA and other agencies to implement further efforts to assist veterans, particularly service-disabled veterans in the formation and growth of small businesses.

SECTION 103. DEFINITIONS

Establishes definitions of veteran owned and service-disabled veteran owned small business concerns. The term “service-disabled veterans” is based on the definition in Title 38 of the U.S. Code.

TITLE II—VETERANS BUSINESS DEVELOPMENT

SECTION 201. OFFICE OF VETERANS BUSINESS DEVELOPMENT

Establishes an Office of Veterans Business Development and the position of Associate Administrator for Veterans Business Development at the Small Business Administration. This position will be responsible for the formulation, execution, and promotion of programs to provide assistance for small businesses owned and controlled by veterans. There are currently at least ten Associate Administrators at the SBA. A minimum of four are required by law, and the titles of only two are specified.

SECTION 202. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION

This section establishes a federally chartered corporation, the National Veterans Business Development Corporation, for the purpose of guiding and monitoring public and private sector initiatives to assist the Nation’s veterans in their efforts to form and grow small businesses. The most significant single purpose of the corporation will be to work with the public and private sectors to establish an independent nationwide network of business assistance and information centers for veterans. The Corporation will be managed by a Board of Directors appointed in a bipartisan fashion by the President based on recommendations from the Congress. It will have the power to raise and disburse funds, establish initiatives, and award grants in furtherance of its goal of establishing a cohesive assistance and information network for veteran owned business.

The NVBDC will also establish an advisory board on professional certification to work on the problems service members with military technical training face in transitioning into the private sector workforce. The board will be composed of representatives of professional certification organizations, such as the Coalition for Professional Certification and veterans organizations such as the American Legion. In addition, the Board of Directors of the NVBDC shall invite representatives of the Armed Services and the Department of Labor to participate.

While they will have no mandate to change or enforce regulations, the Committee hopes that the military and private sector will work in a cooperative fashion to satisfy both the Armed Services training requirements and the public sector's need for standard certification and provide transitioning servicemembers with an easy entrance to civilian life.

To start the NVBDC it will have an initial authorization of \$2 million in the first year and \$4 million in the second, and third years, dropping back to \$2 million in the fourth and final year. After the fourth year the Corporation will be self funded from private donations and no longer be eligible for federal funds. The Committee has already received testimony in support of private funding of the NVBDC and fully expects the Corporation to be self supporting within four years.

SECTION 203. ADVISORY COMMITTEE ON VETERANS AFFAIRS

Establishes an eight member committee to provide independent advice and policy recommendations to the SBA, Congress, and the President. The committee will conduct hearings, collect information from federal agencies, develop, monitor and promote programs to aid veteran's business development, and issue an annual report to the Congress. The Committee will terminate on September 30, 2004 and its responsibilities will devolve onto the National Veterans Business Development Corporation.

TITLE III—TECHNICAL ASSISTANCE

SECTION 301. SCORE PROGRAM

This section requires the Service Corps of Retired Executives (SCORE) and the SBA to establish a program for directing management and technical assistance to veteran-owned small business and veterans wishing to establish small business concerns. SCORE provides advice and technical assistance to small businesses free of charge through a nationwide network of volunteers.

SECTION 302. ENTREPRENEURIAL ASSISTANCE

This section requires the Small Business Development Center (SBDC) system and the SBA to establish a program for outreach and assistance to veterans and veteran-owned small businesses. SBDC's provide free management and technical assistance to small business owners through over 900 sites located at colleges and universities nationwide.

SECTION 303. MILITARY RESERVISTS TECHNICAL ASSISTANCE

Establishes a program of technical and managerial assistance, through the SBA, for military reservists who are self-employed or are small business owners and are called to active military duty. Requires the SBA to enhance its publicity of such assistance for the duration of Operation “Allied Force”.

TITLE IV—FINANCIAL ASSISTANCE

SECTION 401. GENERAL BUSINESS LOANS

Includes service-disabled veterans with handicapped individuals in provisions requiring that loan making decisions shall be resolved in favor of the prospective borrower. H.R. 1568 also clarifies that this provision applies only to guaranteed loans and makes no requirement that the SBA reinstitute the direct loan programs eliminated in the Administration budget submission in 1995. According to the Administration’s testimony on June 23, 1999 such a result was not desired by the SBA. Therefore, an amendment was offered to specify and reinforce the Administration’s opposition to those programs.

SECTION 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERVISTS

Requires the SBA to establish a system for loan deferrals for small business owners called up for active duty. Also requires the SBA to make economic injury disaster loans available to self-employed individuals who are called to active duty for the National Guard and Reserves.

SECTION 403. MICROLOAN PROGRAM

Makes veterans eligible for assistance under the SBA’s microloan program which provides small loans (under \$25,000) to people seeking initial financing for small business start-up or expansion.

SECTION 404. DELTA LOAN PROGRAM

Includes veteran owned small businesses in the eligibility categories for assistance under the DELTA loan program at the SBA.

SECTION 405. STATE DEVELOPMENT COMPANY PROGRAM

Includes the formation and creation of veteran-owned small business in the public policy goals sought in the 504 loan program for construction and long-term equipment loans.

TITLE V—PROCUREMENT

SECTION 501. SUBCONTRACTING

Requires the inclusion of small business concerns owned and controlled by veterans in the mandatory subcontracting clause in all government contracts that establishes subcontracting plans.

SECTION 502. PROCUREMENT ASSISTANCE

This section requires the SBA to establish a five percent goal for contracting with small business concerns owned and controlled by service disabled veterans.

TITLE VI—REPORTS AND DATA

SECTION 601. REPORTING REQUIREMENTS

Requires the heads of each federal agency to report to the Small Business Administration concerning contracting with veteran owned and service-disabled veteran owned small businesses.

SECTION 602. REPORT ON SMALL BUSINESS AND COMPETITION

Requires the SBA to include information on small business concerns owned by veterans and service disabled veterans in the annual report on small business participation and opportunities in federal procurement.

SECTION 603. ANNUAL REPORT

This section requires the Administrator to submit an annual report to Congress on the needs of veteran owned small business and the progress of programs designed to aid and promote veterans small business ownership. The Administrator shall also provide statistical information on veterans participation in SBA programs.

SECTION 604. INFORMATION COLLECTION

Requires the collection of procurement data on veterans and service-disabled veteran owned small businesses, and collection of information on the procurement practices of each federal agency. All such information is to be made available to any small business concern requesting it. The information is also to be distributed to federal procurement officers. Also requires the SBA and VA to work to establish a database on veteran owned small business concerns.

TITLE VII—MISCELLANEOUS PROVISIONS

SECTION 701. ADMINISTRATOR'S ORDER

Requires the administrator to strengthen and reissue the order implementing the provisions of PL 93-237 which requires the SBA to fully include veterans in all the programs, purposes and activities of the agency.

SECTION 702. OFFICE OF ADVOCACY

Requires the Chief Counsel for Advocacy of the US Small Business Administration to include an evaluation of the efforts of the federal government to assist veteran owned small business concerns as one of his primary functions. The Chief Counsel is also required to provide statistical information on veterans utilization of federal programs. Also requires the Chief Counsel to make recommendations to the Administrator of the SBA and Congress on programs and efforts to assist veteran owned small business concerns.

SECTION 703. FIXED ASSET SMALL BUSINESS LOANS

Requires the Government Accounting Office to conduct a study of the feasibility of using the VA home ownership loan program as a source of fixed asset financing for veteran-owned small businesses.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 29, 1999.

Hon. JAMES M. TALENT,
Chairman, Committee on Small Business,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts for federal costs are Mark Hadley and Megan Carroll. The staff contact for the state and local impact is Shelley Finlayson.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1568—Veterans Entrepreneurship and Small Business Development Act of 1999

Summary: H.R. 1568 would expand federal assistance to small businesses owned by veterans. It would establish a federally chartered corporation to coordinate assistance to small business owners who are veterans. In addition, it would establish an Office of Veterans Business Development and an advisory committee on veterans affairs within the Small Business Administration (SBA). Section 402 would authorize the SBA to modify and expand certain loan programs to assist small businesses that employ military reservists who are called to active duty. Finally, the bill would direct the SBA and the General Accounting Office to prepare several reports and would provide other forms of assistance to small businesses that are owned by veterans.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 1568 would increase discretionary spending by about \$24 million over the 2000–2004 period. CBO also estimates that enacting the bill would increase direct spending by about \$1 million in fiscal year 1999. therefore, pay-as-you-go procedures would apply to this bill. H.R. 1568 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: For the purposes of this estimate, CBO assumes that H.R. 1568 will be enacted during fiscal year 1999. The estimated effect of H.R. 1568 on discretionary spending is shown in the following table. We estimate that modifying the terms of certain loans would increase direct spending by about \$1 million in 1999 and that provisions authorizing the receipt and use of gifts and donations would have a negligible effect

on direct spending and governmental receipts over the 2000–2004 period. The costs of this legislation fall within budget functions 370 (commerce and housing credit) and 450 (community and regional development).

	By fiscal years, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	5	6	6	4	3
Estimated Outlays	0	5	6	6	4	3

Basis of Estimate

Spending subject to appropriation

H.R. 1568 would authorize the appropriation of \$12 million over the 2000–2003 period for the National Veterans Business Development Corporation. For purposes of this estimate, CBO assumes that the corporation would receive and spend the entire amount appropriated for each year. Based on information from SBA, CBO estimates that implementing the other provisions of the bill would increase administrative costs by an additional \$12 million over the 2000–2004 period.

Section 402 would expand the disaster loan program to include small businesses that suffer substantial economic injury as a result of an essential employee being ordered to active duty during a period of military conflict. The Federal Credit Reform Act of 1990 requires appropriations for the subsidy costs and administrative costs of credit programs. The subsidy cost is the estimated long-term cost to the government of a direct loan or loan guarantee, calculated on a net present value basis and excluding administrative costs. Implementing section 402 of the bill could result in additional subsidy costs for making new loans. Although CBO cannot predict the number, timing, or extent of future military conflicts or the number of small businesses that would be affected, the costs are not likely to be significant in most years. We estimate that additional subsidy costs would average less than \$500,000 a year.

Direct spending

Section 402 would allow the SBA to defer principal and interest payments due on small business loans if a military reservist is called to active duty during a period of military conflict and the reservist is an essential employee of the small business. The deferral would last from the date on which the reservist is ordered to active duty until 180 days after the reservist is released. Section 402 also would allow the SBA to reduce the interest rate on loans qualifying for a deferral. The bill would encourage lenders and intermediaries to grant similar deferrals for loans guaranteed by the SBA.

Section 403 would increase direct spending because it would raise the expected cost of existing loans to small businesses. CBO estimates that enacting this provision would probably increase direct spending by about \$1 million in 1999, based on information from the SBA. We estimate that the deferral provision would affect fewer than 500 small business disaster loans (out of the 70,000 outstanding), with an average loan size of \$50,000, and that the

deferment of principal and interest payments would increase the average subsidy costs on those loans by about 5 percentage points. The increase in subsidy costs would be recorded as an outlay in the year in which the legislation is enacted.

Revenues

Authorizing the advisory committee to accept and use gifts and donations would affect direct spending and governmental receipts. CBO expects that any contributions (recorded in the budget as revenues) would be spent in the same year as they were received. Therefore, we estimate that the net budgetary impact of the gift authority granted to the advisory committee would be negligible.

Pay-as-you-go considerations: The Balanced Budget and Emergency Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. H.R. 1568 would affect direct spending and receipts by increasing the cost of existing loans and by allowing the new advisory committee to accept donations. CBO estimates enacting H.R. 1568 would increase direct spending by \$1 million in 1999 and by less than \$500,000 in each subsequent year and would increase governmental receipts by less than \$500,000 a year.

Intergovernmental and private-sector impact: H.R. 1568 contains no intergovernmental or private-sector mandates as defined in UMR. The bill would modify existing programs that require matching funds from public or private entities, including state, local, and tribal governments. Any cost to these governments from the requirements of the programs would be incurred voluntarily.

Previous CBO estimate: On June 16, 1999, CBO transmitted an estimate of S. 918, the Military Reservists Small Business Relief Act of 1999, as ordered reported by the Senate Committee on Small Business on June 9, 1999. That bill was identical to section 402 of H.R. 1568; therefore, CBO estimated that enacting S. 918 would increase direct spending by about \$1 million in 1999 and spending subject to appropriation by less than \$500,000 a year.

Estimate prepared by: Federal Costs: Mark Hadley and Megan Carroll. Impact on State, Local, and Tribal Governments: Shelley Finlayson.

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

COMMITTEE ESTIMATE OF COSTS

Pursuant to the Congressional Budget Act of 1974, the Committee estimates that the amendments to the Small Business Act in H.R. 1568 will increase discretionary spending by no more than \$15 million over the next five fiscal years, if fully funded. This estimate includes funding for the NVBDC (\$12 million), funding for loans for military reservists (\$2 million), and the attendant costs of the requested data collection and creation of the Office of Veterans Affairs (\$1 million). The Committee estimate is lower than the Congressional Budget Office (CBO) estimate.

The Committee disagrees with information supplied to the CBO by the SBA which estimates a \$1.3 million annual cost of the Office of Veterans Business Development. The Committee notes that Section 201 of H.R. 1568 provides only for the position of Associate Ad-

ministrator for Veterans Business Development. It does not require any further hiring. The Office of Veterans Affairs already exists, all that is required is elevation of one individual, a total increase in costs of only \$30,000. The Committee is, however, heartened by the possibility that the Administration may wish to increase the visibility of the Office of Veterans Business Development beyond that statutorily mandated.

While certain provisions of H.R. 1568 have pay-go implications, by deferring loan repayments, they are only \$1 million in fiscal year 1999 and less than \$500,000 in fiscal years 2000–2004. This concurs with the CBO estimate.

Furthermore, pursuant to clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives, the Committee estimates that implementation of H.R. 1568 will not significantly increase other administrative costs.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS AFFAIRS,
Washington, DC, June 24, 1999.

Hon. JAMES M. TALENT,
Chairman, Committee on Small Business,
Rayburn House Office Building, Washington, DC.

DEAR JIM: It is my understanding that the Committee on Small Business plans to report H.R. 1568 this week. This letter is to advise you that the Committee on Veterans' Affairs supports your Committee's actions and does not plan to take any action on this measure. We have no objection to you seeking prompt consideration of this measure by the full House.

Sincerely,

BOB STUMP, *Chairman.*

OVERSIGHT FINDINGS

In accordance with clause 4(c)(2) of rule X of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations have been made by the Committee on Government Reform with respect to the subject matter contained in H.R. 1568.

In accordance with clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 1568 are incorporated into the descriptive portions of this report.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in Article I, Section 8, clause 18, of the Constitution of the United States.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omit-

ted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SMALL BUSINESS ACT

* * * * *
SEC. 3. (a) * * *

* * * * *

[(f) For purposes of section 7 of this Act, the term “handicapped individual” means a person who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable.]

(f) For purposes of section 7 of this Act, the term “handicapped individual” means an individual—

- (1) who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable; or
- (2) who is a service-disabled veteran.

* * * * *

(q) DEFINITIONS RELATING TO VETERANS.—In this Act, the following definitions apply:

(1) SERVICE-DISABLED VETERAN.—The term “service-disabled veteran” means a veteran with a disability that is service-connected (as defined in section 101(16) of title 38, United States Code).

(2) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.—The term “small business concern owned and controlled by service-disabled veterans” means a small business concern—

(A) not less than 51 percent of which is owned by 1 or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more service-disabled veterans; and

(B) the management and daily business operations of which are controlled by 1 or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(3) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY VETERANS.—The term “small business concern owned and controlled by veterans” means a small business concern—

(A) not less than 51 percent of which is owned by 1 or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more veterans; and

(B) the management and daily business operations of which are controlled by 1 or more veterans.

(4) VETERAN.—The term “veteran” has the meaning given the term in section 101(2) of title 38, United States Code.

SEC. 4. (a) * * *

(b)(1) The management of the Administration shall be vested in an Administrator who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator. In carrying out the programs administered by the Small Business Administration including its lending and guaranteeing functions, the Administrator shall not discriminate on the basis of sex or marital status against any person or small business concern applying for or receiving assistance from the Small Business Administration, and the Small Business Administration shall give special consideration to veterans of the Armed Forces of the United States and their survivors or dependents. The President also may appoint a Deputy Administrator, by and with the advice and consent of the Senate. The Administrator is authorized to appoint **four** *five* Associate Administrators (including the Associate Administrator specified in section 201 of the Small Business Investment Act of 1958) to assist in the execution of the functions vested in the Administration. *One such Associate Administrator shall be the Associate Administrator for Veterans Business Development, who shall administer the Office of Veterans Business Development established under section 32.* One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and Capital Ownership Development who shall be an employee in the competitive service or in the Senior Executive Service and a career appointee and shall be responsible to the Administrator for the formulation and execution of the policies and programs under sections 7(j) and 8(a) of this Act which provide assistance to minority small business concerns.

* * * * *

SEC. 7. (a) LOANS TO SMALL BUSINESS CONCERNS; ALLOWABLE PURPOSES; QUALIFIED BUSINESS; RESTRICTIONS AND LIMITATIONS.—The Administration is empowered to the extent and in such amounts as provided in advance in appropriation Acts to make loans for plant acquisition, construction, conversion, or expansion, including the acquisition of land, material, supplies, equipment, and working capital, and to make loans to any qualified small business concern, including those owned by qualified Indian tribes, for purposes of this Act. Such financings may be made either directly or in cooperation with banks or other financial institutions through agreements to participate on an immediate or deferred (guaranteed) basis. These powers shall be subject, however, to the following restrictions, limitations, and provisions:

(1) * * *

* * * * *

(10) The Administration may provide *guaranteed* loans under this subsection to assist any public or private organization for the handicapped or to assist any handicapped individual, in-

cluding service-disabled veterans, in establishing, acquiring, or operating a small business concern.

* * * * *

(21)(A) The Administration may make loans on a guaranteed basis under the authority of this subsection—

(i) * * *

(ii) to a qualified individual *or a veteran* seeking to establish (or acquire) and operate a small business concern.

* * * * *

(b) Except as to agricultural enterprises as defined in section 18(b)(1) of this Act, the Administration also is empowered to the extent and in such amounts as provided in advance in appropriation Acts—

(1) * * *

* * * * *

Provided, That no loan or guarantee shall be extended pursuant to this paragraph (2) unless the Administration finds that the applicant is not able to obtain credit elsewhere.

(3)(A) In this paragraph—

(i) the term “essential employee” means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern;

(ii) the term “period of military conflict” has the meaning given the term in subsection (n)(1); and

(iii) the term “substantial economic injury” means an economic harm to a business concern that results in the inability of the business concern—

(I) to meet its obligations as they mature;

(II) to pay its ordinary and necessary operating expenses; or

(III) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern.

(B) The Administration may make such disaster loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of an essential employee of such small business concern being ordered to active military duty during a period of military conflict.

(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph during the period beginning on the date on which the essential employee is ordered to active duty and ending on the date that is 90 days after the date on which such essential employee is discharged or released from active duty.

(D) Any loan or guarantee extended pursuant to this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed \$1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the \$1,500,000 limitation.

(F) For purposes of assistance under this paragraph, no declaration of a disaster area shall be required.

* * * * *

(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RESERVISTS.—

(1) DEFINITIONS.—In this subsection:

(A) ELIGIBLE RESERVIST.—The term “eligible reservist” means a member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.

(B) ESSENTIAL EMPLOYEE.—The term “essential employee” means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern.

(C) PERIOD OF MILITARY CONFLICT.—The term “period of military conflict” means—

- (i) a period of war declared by Congress;
- (ii) a period of national emergency declared by Congress or by the President; or
- (iii) a period of a contingency operation, as defined in section 101(a) of title 10, United States Code.

(D) QUALIFIED BORROWER.—The term “qualified borrower” means—

- (i) an individual who is an eligible reservist and who received a direct loan under subsection (a) or (b) before being ordered to active duty; or
- (ii) a small business concern that received a direct loan under subsection (a) or (b) before an eligible reservist, who is an essential employee, was ordered to active duty.

(2) DEFERRAL OF DIRECT LOANS.—

(A) IN GENERAL.—The Administration shall, upon written request, defer repayment of principal and interest due on a direct loan made under subsection (a) or (b), if such loan was incurred by a qualified borrower.

(B) PERIOD OF DEFERRAL.—The period of deferral for repayment under this paragraph shall begin on the date on which the eligible reservist is ordered to active duty and shall terminate on the date that is 180 days after the date *such eligible reservist is discharged or released from active duty*.

(C) INTEREST RATE REDUCTION DURING DEFERRAL.—*Notwithstanding any other provision of law, during the period of deferral described in subparagraph (B), the Administra-*

tion may, in its discretion, reduce the interest rate on any loan qualifying for a deferral under this paragraph.

(3) DEFERRAL OF LOAN GUARANTEES AND OTHER FINANCINGS.—The Administration shall—

(A) encourage intermediaries participating in the program under subsection (m) to defer repayment of a loan made with proceeds made available under that subsection, if such loan was incurred by a small business concern that is eligible to apply for assistance under subsection (b)(3); and

(B) not later than 30 days after the date of enactment of this subsection, establish guidelines to—

(i) encourage lenders and other intermediaries to defer repayment of, or provide other relief relating to, loan guarantees under subsection (a) and financings under section 504 of the Small Business Investment Act of 1958 that were incurred by small business concerns that are eligible to apply for assistance under subsection (b)(3), and loan guarantees provided under subsection (m) if the intermediary provides relief to a small business concern under this paragraph; and

(ii) implement a program to provide for the deferral of repayment or other relief to any intermediary providing relief to a small business borrower under this paragraph.

* * * * *

SEC. 8. (a) * * *

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(d)(1) It is the policy of the United States that small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women, shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

* * * * *

(3) The clause required by paragraph (2) shall be as follows:

(A) It is the policy of the United States that small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns

owned and controlled by women shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

* * * * *

(E) The term “small business concern owned and controlled by veterans” shall mean a small business concern—

(i) which is at least 51 per centum owned by one or more eligible veterans; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more veterans; and

(ii) whose management and daily business operations are controlled by such veterans. The contractor shall treat as veterans all individuals who are veterans within the meaning of the term under section 3(q) of the Small Business Act.

[(E)] (F) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, or a small business concern owned and controlled by women.

[(F)] (G) In this contract, the term “qualified HUBZone small business concern” has the meaning given that term in section 3(p) of the Small Business Act.

(4)(A) * * *

* * * * *

(D) No contract shall be awarded to any offeror unless the procurement authority determines that the plan to be negotiated by the offeror pursuant to this paragraph provides the maximum practicable opportunity for small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women to participate in the performance of the contract.

(E) Notwithstanding any other provisions of law, every Federal agency, in order to encourage subcontracting opportunities for small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, and small business concerns owned and controlled by the socially and economically disadvantaged individuals as defined in paragraph (3) of this subsection and for small business concerns owned and controlled by women, is hereby authorized to provide such in-

centives as such Federal agency may deem appropriate in order to encourage such subcontracting opportunities as may be commensurate with the efficient and economical performance of the contract: *Provided, That, this subparagraph shall apply only to contracts let pursuant to the negotiated method of procurement.*

* * * * *

(6) Each subcontracting plan required under paragraph (4) or (5) shall include—

(A) percentage goals for the utilization as subcontractors of small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women;

* * * * *

(C) a description of the efforts the offeror or bidder will take to assure that small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women will have an equitable opportunity to compete for subcontracts;

* * * * *

(F) a recitation of the types of records the successful offeror or bidder will maintain to demonstrate procedures which have been adopted to comply with the requirements and goals set forth in this plan, including the establishment of source lists of small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women; and efforts to identify and award subcontracts to such small business concerns.

* * * * *

(10) In the case of contracts within the provisions of paragraphs (4), (5), and (6), the Administration is authorized to—

(A) * * *

(B) review any solicitation for any contract to be let pursuant to paragraphs (4) and (5) to determine the maximum practicable opportunity for small business concerns, *small business concerns owned and controlled by veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women to participate as subcontractors in the performance of any contract resulting from any solicitation, and to submit its findings, which shall be advisory in nature, to the appropriate Federal agency; and

(l) *MANAGEMENT ASSISTANCE FOR SMALL BUSINESSES AFFECTED BY MILITARY OPERATIONS.*—The Administration shall utilize, as appropriate, its entrepreneurial development and management assist-

ance programs, including programs involving State or private sector partners, to provide business counseling and training to any small business concern adversely affected by the deployment of units of the Armed Forces of the United States in support of a period of military conflict (as defined in section 7(n)(1)).

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SEC. 15. (a) * * *

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(g)(1) The President shall annually establish Government-wide goals for procurement contracts awarded to small business concerns, *small business concerns owned and controlled by service disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women. The Government-wide goal for participation by small business concerns shall be established at not less than 23 percent of the total value of all prime contract awards for each fiscal year. *The Government-wide goal for participation by small business concerns owned and controlled by service-disabled veterans shall be established at not less than 5 percent of the total value of all prime contract and subcontract awards for each fiscal year.* The Government-wide goal for participation by qualified HUBZone small business concerns shall be established at not less than 1 percent of the total value of all prime contract awards for fiscal year 1999, not less than 1.5 percent of the total value of all prime contract awards for fiscal year 2000, not less than 2 percent of the total value of all prime contract awards for fiscal year 2001, not less than 2.5 percent of the total value of all prime contract awards for fiscal year 2002, and not less than 3 percent of the total value of all prime contract awards for fiscal year 2003 and each fiscal year thereafter. The Government-wide goal for participation by small business concerns owned and controlled by socially and economically disadvantaged individuals shall be established at not less than 5 percent of the total value of all prime contract and subcontract awards for each fiscal year. The Government-wide goal for participation by small business concerns owned and controlled by women shall be established at not less than 5 percent of the total value of all prime contract and subcontract awards for each fiscal year. Notwithstanding the Government-wide goal, each agency shall have an annual goal that presents, for that agency, the maximum practicable opportunity for small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women to participate in the performance of contracts let by such agency. The Administration and the Administrator of the Office of Federal Procurement Policy shall, when exercising their authority pursuant to paragraph (2), insure that the cumulative annual prime contract goals for all agencies meet or exceed the annual Government-wide prime contract goal established by the President pursuant to this paragraph.

(2) The head of each Federal agency shall, after consultation with the Administration, establish goals for the participation by small business concerns, *by small business concerns owned and controlled by service-disabled veterans*, by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals, and by small business concerns owned and controlled by women in procurement contracts of such agency. Goals established under this subsection shall be jointly established by the Administration and the head of each Federal agency and shall realistically reflect the potential of small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women to perform such contracts and to perform subcontracts under such contracts. Whenever the Administration and the head of any Federal agency fail to agree on established goals, the disagreement shall be submitted to the Administrator of the Office of Federal Procurement Policy for final determination. For the purpose of establishing goals under this subsection, the head of each Federal agency shall make consistent efforts to annually expand participation by small business concerns from each industry category in procurement contracts of the agency, including participation by *small business concerns owned and controlled by service-disabled veterans*, by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals, and by small business concerns owned and controlled by women. The head of each Federal agency, in attempting to attain such participation, shall consider—

(A) * * *

* * * * *

(h)(1) At the conclusion of each fiscal year, the head of each Federal agency shall report to the Administration on the extent of participation by small business concerns, *small business concerns owned and controlled by veterans (including service-disabled veterans)*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women in procurement contracts of such agency. Such reports shall contain appropriate justifications for failure to meet the goals established under subsection (g) of this section.

(2) The Administration shall annually compile and analyze the reports submitted by the individual agencies pursuant to paragraph (1) and shall submit them to the President *and Congress*. The Administration's submission to the President shall include the following:

(A) The Government-wide goals for participation by small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals,

and small business concerns owned and controlled by women and the performance in attaining such goals.

* * * * *

(D) The number and dollar value of contracts awarded to small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women through—

(i) * * *

* * * * *

(E) The number and dollar value of subcontracts awarded to small business concerns, *small business concerns owned and controlled by service-disabled veterans*, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

* * * * *

SEC. 32. VETERANS PROGRAMS.

(a) *OFFICE OF VETERANS BUSINESS DEVELOPMENT.*—There is established in the Administration an Office of Veterans Business Development, which shall be administered by the Associate Administrator for Veterans Business Development (in this section referred to as the “Associate Administrator”) appointed under section 4(b)(1).

(b) *ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.*—The Associate Administrator—

(1) shall be an appointee in the Senior Executive Service;

(2) shall be responsible for the formulation, execution, and promotion of policies and programs of the Administration that provide assistance to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans. The Associate Administrator shall act as an ombudsman for full consideration of veterans in all programs of the Administration; and

(3) shall report to and be responsible directly to the Administrator.

SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

(a) *ESTABLISHMENT.*—There is established a federally chartered corporation to be known as the National Veterans Business Development Corporation (in this section referred to as the “Corporation”) which shall be incorporated under the laws of the District of Columbia and which shall have the powers granted in this section.

(b) *PURPOSES OF THE CORPORATION.*—The purposes of the Corporation shall be—

(1) to expand the provision of and improve access to technical assistance regarding entrepreneurship for the Nation’s veterans; and

(2) to assist veterans, including service-disabled veterans, with the formation and expansion of small business concerns by

working with and organizing public and private resources, including those of the Small Business Administration, the Department of Veterans Affairs, the Department of Labor, the Department of Commerce, the Department of Defense, the Service Corps of Retired Executives (described in section 8(b)(1)(B) of this Act), the Small Business Development Centers (described in section 21 of this Act), and the business development staffs of each department and agency of the United States.

(c) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The management of the Corporation shall be vested in a Board of Directors composed of 9 voting members and 3 nonvoting ex officio members.

(2) APPOINTMENT OF VOTING MEMBERS.—The President shall appoint United States citizens to be voting members of the Board of Directors as follows:

(A) 1 from a list of individuals nominated by the chairman of the Committee on Small Business of the House of Representatives.

(B) 1 from a list of individuals nominated by the chairman of the Committee on Small Business of the Senate.

(C) 1 from a list of individuals nominated by the ranking minority member of the Committee on Small Business of the House of Representatives.

(D) 1 from a list of individuals nominated by the ranking minority members of the Committee on Small Business of the Senate.

(E) 1 from a list of individuals nominated by the chairman of the Committee on Veterans' Affairs of the House of Representatives.

(F) 1 from a list of individuals nominated by the chairman of the Committee on Veterans' Affairs of the Senate.

(G) 1 from a list of individuals nominated by the ranking minority member of the Committee on Veterans' Affairs of the House of Representatives.

(H) 1 from a list of individuals nominated the ranking minority member of the Committee on Veterans' Affairs of the Senate.

(I) 1 of the President's own choosing.

(3) EX OFFICIO MEMBERS.—The Administrator of the Small Business Administration, the Secretary of Defense, and the Secretary of Veterans Affairs shall serve as the nonvoting ex officio members of the Board of Directors.

(4) CHAIRPERSON.—The members of the Board of Directors appointed under paragraph (2) shall elect one such member to serve as chairperson of the Board of Directors for a term of 2 years.

(5) TERMS OF APPOINTED MEMBERS.—

(A) IN GENERAL.—Each member of the Board of Directors appointed under paragraph (2) shall serve a term of 6 years, except as provided in subparagraph (B).

(B) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(i) 3 shall be for a term of 2 years; and

(ii) 3 shall be for a term of 4 years.

(C) *UNEXPIRED TERMS.*—Any member of the Board of Directors appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of the term. A member may serve after the expiration of that member's term until a successor has taken office.

(6) *VACANCIES.*—Any vacancy on the Board of Directors shall be filled in the manner in which the original appointment was made. In the case of a vacancy in the office of the Administrator of the Small Business Administration or the Secretary of Veterans Affairs, and pending the appointment of a successor, an acting appointee for such vacancy may serve as an *ex officio* member.

(7) *INELIGIBILITY FOR OTHER OFFICES.*—No voting member of the Board of Directors may be an officer or employee of the United States while serving as a member of the Board of Directors or during the 2-year period preceding such service.

(8) *IMPARTIALITY AND NONDISCRIMINATION.*—The Board of Directors shall administer the affairs of the Corporation fairly and impartially and without discrimination.

(9) *OBLIGATIONS AND EXPENSES.*—The Board of Directors shall prescribe the manner in which the obligations of the Corporation may be incurred and in which its expenses shall be allowed and paid.

(10) *QUORUM.*—5 voting members of the Board of Directors shall constitute a quorum, but a lesser number may hold hearings.

(d) *CORPORATE POWERS.*—On October 1, 1999, the Corporation shall become a body corporate and as such shall have the authority to do the following:

- (1) To adopt and use a corporate seal.
- (2) To have succession until dissolved by an Act of Congress.
- (3) To make contracts or grants.
- (4) To sue and be sued, and to file and defend against lawsuits in State or Federal court.
- (5) To appoint, through the actions of its Board of Directors, officers and employees of the Corporation, to define their duties and responsibilities, fix their compensations, and to dismiss at will such officers or employees.
- (6) To prescribe, through the actions of its Board of Directors, bylaws not inconsistent with Federal law and the law of the State of incorporation, regulating the manner in which its general business may be conducted and the manner in which the privileges granted to it by law may be exercised.
- (7) To exercise, through the actions of its Board of Directors or duly authorized officers, all powers specifically granted by the provisions of this section, and such incidental powers as shall be necessary.
- (8) To solicit, receive, and disburse funds from private, Federal, State and local organizations.
- (9) To accept and employ or dispose of in furtherance of the purposes of this section any money or property, real, personal,

or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

(10) *To accept voluntary and uncompensated services.*

(e) **CORPORATE FUNDS.**—

(1) **DEPOSIT OF FUNDS.**—*The Board of Directors shall deposit all funds of the Corporation in federally chartered and insured depository institutions until such funds are disbursed under paragraph (2).*

(2) **DISBURSEMENT OF FUNDS.**—*Funds of the Corporation may be disbursed only for purposes that are—*

(A) *approved by the Board of Directors by a recorded vote with a quorum present; and*

(B) *in accordance with the purposes of the Corporation as specified in subsection (b).*

(f) **NETWORK OF INFORMATION AND ASSISTANCE CENTERS.**—*In carrying out the purpose described in subsection (b), the Corporation shall establish and maintain a network of information and assistance centers for use by veterans and the public.*

(g) **ANNUAL REPORT.**—*On or before October 1 of each year, the Board of Directors shall transmit a report to the President and Congress describing the activities and accomplishments of the Corporation for the preceding year and the Corporation's findings regarding the efforts of Federal, State and private organizations to assist veterans in the formation and expansion of small business concerns.*

(h) **ASSUMPTION OF DUTIES OF ADVISORY COMMITTEE.**—*On October 1, 2004, the Corporation established under this section shall assume the duties, responsibilities, and authority of the Advisory Committee on Veterans Affairs established under section 203 of this Act.*

(i) **USE OF MAILS.**—*The Corporation may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.*

(j) **PROFESSIONAL CERTIFICATION ADVISORY BOARD.**—

(1) **IN GENERAL.**—*Acting through the Board of Directors, the Corporation shall establish a Professional Certification Advisory Board to create uniform guidelines and standards for the professional certification of members of the Armed Services to aid in their efficient and orderly transition to civilian occupations and professions and to remove potential barriers in the areas of licensure and certification.*

(2) **MEMBERSHIP.**—*The members of the Advisory Board shall serve without compensation, shall meet in the District of Columbia no less than quarterly, and shall be appointed by the Board of Directors as follows:*

(A) **PRIVATE SECTOR MEMBERS.**—*The Corporation shall appoint not less than 7 members for terms of 2 years to represent private sector organizations and associations, including the American Association of Community Colleges, the Society for Human Resource Managers, the Coalition for Professional Certification, and the Council on Licensure and Enforcement.*

(B) **PUBLIC SECTOR MEMBERS.**—*The Corporation shall invite public sector members to serve at the discretion of their departments or agencies and shall—*

- (i) encourage the participation of the Under Secretary of Defense for Personnel and Readiness;
- (ii) encourage the participation of 2 officers from each branch of the Armed Forces to represent the Training Commands of their branch; and
- (iii) seek the participation and guidance of the Assistant Secretary of Labor for Veterans' Employment and Training.

(k) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are authorized to be appropriated to the Corporation to carry out this section the following amounts:

- (A) \$2,000,000 for fiscal year 2000;
- (B) \$4,000,000 for fiscal year 2001;
- (C) \$4,000,000 for fiscal year 2002; and
- (D) \$2,000,000 for fiscal year 2003.

(2) **PRIVATIZATION.**—The Corporation shall institute and implement a plan to raise private funds and become a self-sustaining corporation.

SEC. [32.] 34. All laws and parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

SECTION 501 OF THE SMALL BUSINESS INVESTMENT ACT OF 1958

SEC. 501. (a) * * *

* * * * *

(d) In order to qualify for assistance under this title, the development company must demonstrate that the project to be funded is directed toward at least one of the following economic development objectives—

(1) * * *

* * * * *

(3) the achievement of one or more of the following public policy goals:

(A) business district revitalization,

* * * * *

(E) expansion of small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), especially service-disabled veterans, as defined in such section 3(q),

[(E)] (F) enhanced economic competition, including the advancement of technology, plan retooling, conversion to robotics, or competition with imports,

[(F)] (G) changes necessitated by Federal budget cutbacks, including defense related industries, or

[(G)] (H) business restructuring arising from Federally mandated standards or policies affecting the environment or the safety and health of employees.

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**SECTION 303 OF THE SMALL BUSINESS ECONOMIC
POLICY ACT OF 1980**

SEC. 303. (a) * * *

* * * * *

(e) The information and data required to be reported pursuant to subsection (a) shall separately detail those portions of such information and data that are relevant to—

(1) small business concerns owned and controlled by socially and economically disadvantaged individuals as defined pursuant to section 8(d) of the Small Business Act; **[and]**

(2) small business concerns owned and controlled by women**[.]; and**

(3) *small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by service-disabled veterans, as defined in such section 3(q).*

SECTION 202 OF THE ACT OF JUNE 4, 1976

AN ACT To amend the Small Business Act and Small Business Investment Act of 1958 to provide additional assistance under such Acts, to create a pollution control financing program for small business, and for other purposes.

STUDY

SEC. 202. The primary functions of the Office of the Advocacy shall be to—

(1) * * *

* * * * *

(10) determine the desirability of developing a set of rational, objective criteria to be used to define small business, and to develop such criteria, if appropriate; **[and]**

(11) advice, cooperate with, and consult with, the Chairman of the Administrative Conference of the United States with respect to section 504(e) of title 5 of the United States Code**[.]; and**

(12) *evaluate the efforts of each department and agency of the United States, and of private industry, to assist small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by serviced-disabled veterans, as defined in such section 3(q), and to provide statistical information on the utilization of such programs by such small business concerns, and to make appropriate recommendations to the Administrator of the Small Business Administration and to Congress in order to promote the establishment and growth of those small business concerns.*